



# SUMITOMO METAL INDUSTRIES, LTD.

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February 5, 2007

The United States Securities and Exchange Commission

Office of International Corporate Finance

Room 3099

Mail Stop 3-7

450 Fifth Street, Northwest

Washington, DC 20549

U.S.A.



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SUPPL

Rule 12g3-2(b) Exemption of Sumitomo Metal Industries, Ltd.

File No. 82-3507

Dear sirs,

In connection with Sumitomo Metal Industries, Ltd.'s exemption, pursuant to Rule 12g3-2(b), from the registration and reporting requirements of the Securities Exchange Act of 1934, and in compliance with its ongoing requirements under Rule 12g3-2(b)(1)(iii), enclosed please find the following information:

1. Sumitomo Metals Industries, Ltd. Consolidated Interim Financial Statements

Very truly yours,

Masato Hoshi

Manager

Investor Relations Group

Sumitomo Metal Industries, Ltd.

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Cc: The Bank of New York

## Consolidated Interim Balance Sheet, as of September 30, 2007 (Unaudited)

## Assets:

	Millions of yen	Thousands of U.S. dollars
<b>Current assets:</b>	¥ 719,431	\$ 6,232,610
Cash and time deposits	13,772	119,307
Notes and accounts receivable	204,281	1,769,738
Inventories	444,626	3,851,908
Other	57,238	495,864
Allowance for doubtful accounts	(486)	(4,207)
<b>Fixed assets:</b>	1,686,246	14,608,389
<b>Property, plant and equipment, at cost:</b>	1,078,807	9,345,981
Buildings and structures	246,517	2,135,636
Machinery and equipment	407,325	3,528,767
Land	349,428	3,027,184
Construction in progress	65,227	565,076
Other	10,310	89,318
<b>Intangibles:</b>	4,378	37,932
<b>Investments and other assets:</b>	603,061	5,224,476
Investment securities	558,148	4,835,383
Other	45,806	396,832
Allowance for doubtful accounts	(893)	(7,739)
<b>Total</b>	<u>¥ 2,405,677</u>	<u>\$ 20,840,999</u>

**Consolidated Interim Balance Sheet, as of September 30, 2007(Unaudited)**

**Liabilities:**

	Millions of yen	Thousands of U.S. dollars
<b>Current liabilities:</b>	¥ 862,372	\$ 7,470,955
Notes and accounts payable	358,663	3,107,192
Short-term borrowings	240,372	2,082,403
Commercial paper	31,000	268,561
Current portion of long-term debt	21,500	186,260
Other	210,837	1,826,539
<b>Long-term liabilities:</b>	614,150	5,320,535
Bonds	114,661	993,337
Long-term borrowings	370,902	3,213,212
Liability for employees' retirement benefits	26,085	225,983
Liability for rebuilding furnaces	532	4,611
Other	101,970	883,392
<b>Total liabilities</b>	<b>1,476,522</b>	<b>12,791,490</b>
<b>Net assets:</b>		
<b>Shareholders' equity:</b>	751,010	6,506,192
Capital	262,072	2,270,401
Capital surplus	61,897	536,233
Retained earnings	569,068	4,929,977
Treasury stock , at cost	(142,027)	(1,230,419)
<b>Valuation and translation adjustments:</b>	130,963	1,134,568
Net unrealized gain on available-for-sale securities	117,319	1,016,365
Deferred gain on hedges	759	6,572
Land revaluation surplus	13,847	119,961
Foreign currency translation adjustments	(962)	(8,330)
<b>Minority interests:</b>	47,182	408,749
<b>Total net assets</b>	<b>929,155</b>	<b>8,049,509</b>
<b>Total</b>	<b>¥ 2,405,677</b>	<b>\$ 20,840,999</b>

**Consolidated Interim Statement of Income (Unaudited)**  
**(For the six months ended September 30, 2007)**

	Millions of yen	Thousands of U.S. dollars
<b>Recurring profit and loss</b>		
<b>Operating income and expenses:</b>		
Net sales	¥ 847,808	\$ 7,344,778
Cost of sales	(636,374)	(5,513,071)
<b>Gross profit</b>	<u>211,434</u>	<u>1,831,707</u>
<b>Selling, general and administrative expenses:</b>	(69,704)	(603,862)
<b>Operating profit</b>	<u>141,730</u>	<u>1,227,845</u>
<b>Non-operating income and expenses:</b>		
Non-operating income:	30,924	267,900
Interest income	869	7,526
Dividend income	3,084	26,717
Equity in earnings of unconsolidated subsidiaries and associated companies	21,363	185,071
Other	5,608	48,586
Non-operating expenses:	(19,885)	(172,270)
Interest expense	(6,675)	(57,826)
Other	(13,210)	(114,444)
<b>Recurring profit</b>	<u>152,769</u>	<u>1,323,475</u>
<b>Non-recurring profit and loss</b>		
Non-recurring profit:	6,904	59,811
Gain on sales of investment securities	6,904	59,811
Non-recurring loss:	(6,438)	(55,775)
Impairment loss of fixed assets	(6,438)	(55,775)
<b>Income before income taxes and minority interests</b>	153,235	1,327,511
<b>Income taxes:</b>	(54,168)	(469,275)
Current	(39,434)	(341,634)
Deferred	(14,734)	(127,641)
<b>Minority interests</b>	(2,160)	(18,704)
<b>Net income</b>	<u>¥ 96,907</u>	<u>\$ 839,532</u>

**Consolidated Interim Statement of Cash Flows (Unaudited)**

(For the six months ended September 30, 2007)

	Millions of yen	Thousands of U.S. dollars
<b>Operating activities:</b>		
Income before income taxes and minority interests	¥ 153,235	\$ 1,327,511
Adjustments for:		
Depreciation and amortization	48,874	423,404
Interest and dividend income	(3,953)	(34,243)
Interest expense	6,675	57,826
Equity in earnings of unconsolidated subsidiaries and associated companies	(21,363)	(185,071)
Changes in assets and liabilities-		
Decrease in receivables	12,485	108,165
Increase in inventories	(55,953)	(484,733)
Increase in payables	23,326	202,076
Other, net	(71,731)	(621,424)
Net cash provided by operating activities	91,595	793,511
<b>Investing activities:</b>		
Interest and dividends received	8,836	76,544
Acquisition of property, plant and equipment and other assets	(67,327)	(583,269)
Other, net	7,794	67,521
Net cash used in investing activities	(50,697)	(439,204)
<b>Financing activities:</b>		
Interest paid	(7,133)	(61,798)
Increase in borrowings and debt	51,246	443,959
Dividends paid	(20,884)	(180,920)
Other, net	(63,846)	(553,115)
Net cash used in financing activities	(40,617)	(351,874)
<b>Foreign currency translation adjustments on cash and cash equivalents</b>	256	2,221
<b>Net decrease in cash and cash equivalents</b>	537	4,654
<b>Cash and cash equivalents at beginning of period</b>	13,021	112,803
<b>Cash and cash equivalents at end of period</b>	¥ 13,558	\$ 117,457

The above represents a translation, for convenience only, of the original report issued in Japanese language.

The United States dollar amounts included herein represent translations using the approximate exchange rate at September 28, 2007 of ¥115.43= U.S.\$1, solely for convenience of readers outside Japan.

**END**